



2003-04 BUDGET

BUDGET OVERVIEW



Building WA

Budget Overview

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2003–04 Budget Paper set includes:

Budget Paper No. 1 – Budget Speech

Budget Paper No. 2 – Budget Statements (Volumes 1–3)

Budget Paper No. 3 – Economic and Fiscal Outlook

Reader's Guide to the 2003–04 Budget Statements

Budget Overview

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Building WA

Budget HIGHLIGHTS

Balanced Budget

The 2003-04 Budget is projected to deliver an operating surplus for the general government sector (the budget 'bottom line') of \$83 million in 2003-04, with increasing surpluses across the outyears. These surpluses help fund the Government's substantial investment in economic and social infrastructure and ensure that net debt is maintained at sustainable levels.

Health, Education, Law and Order

This Budget demonstrates the Government's commitment to the priority areas of health, education and law and order. In 2003-04, funding for:

- *health will increase by \$232.2 million or 9.7%;*
- *education and training will increase by \$91.8 million or 4.0%; and*
- *law and order will increase by \$52.3 million or 5.1%.*

Capital Works

Reflecting the Government's commitment to invest in the economic and social infrastructure that is essential to the State's development, the Capital Works Program for 2003-04 is estimated at \$3.5 billion. This is a record level, and comes on top of the \$3.2 billion program expected for 2002-03. Significant projects in the areas of public transport, education, health, port infrastructure, electricity, water and industrial development (eg. on the Burrup Peninsula) contribute to the 2003-04 Capital Works Program.

Funding for Disability Services

Funding for the Disability Services Commission will grow by \$12.3 million in 2003-04, an increase of 6.3%. This will allow for the provision of accommodation support for 80 additional people in 2003-04, and builds on the 75 additional places provided for in the 2002-03 Budget.

Environment

The Government has committed additional funding of over \$3.5 million and over 30 new officers to address community concerns in relation to pollution licensing and enforcement.

The Government is also committed to establishing effective management of contaminated sites around the State, with the introduction of the Contaminated Sites Bill into Parliament. The Department of Environmental Protection will spend \$14.5 million over four years for the implementation of the Bill and remediation of high priority sites.

Workplace Safety

An amount of \$6.6 million over the forward estimates has been provided to fund the provision of an additional 20 Workplace Inspectors. The employment of these inspectors will be phased in over three years to facilitate the Government's election commitment to lift awareness of, and commitment to, workplace safety in Western Australia.

Increase in Funding for Foster Carers

In recognition of the invaluable service provided by foster carers in caring for some of the most disadvantaged children and young people in the State, the Government has injected an additional \$14.1 million over four years to the foster care sector. This funding will provide for a significant increase to the basic foster care subsidy, the first such increase since 1992.

Responsible FINANCIAL MANAGEMENT

Balanced Budgets

Building on the successful outcomes of the past two years, the 2003-04 Budget projects net operating surpluses for the general government sector in each year of the forward estimates.

Operating surpluses mean that the Government is able to meet its day-to-day operating costs from available revenue sources. They also assist in funding capital works and keeping net debt at sustainable levels.

Managing Debt Levels

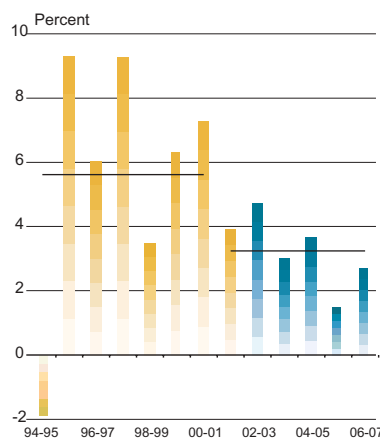
Net debt is forecast to remain comfortably within target levels over the forward estimates period, notwithstanding the substantial infrastructure investment program underway in Western Australia, with significant projects in roads, public transport, law and order, water, sewerage, electricity and ports. This investment plays a vital role in supporting the State's economic development and, ultimately, in generating jobs.

Importantly, total non-financial public sector net debt as a share of revenue is set to remain below the target level of 47% across the forward estimates period, indicating that growth in net debt is both responsible and affordable. This ratio is a key determinant of the State's triple-A credit rating.

Controlling Expense Growth

General government expense growth is projected to remain at historically low levels in the Budget estimates.

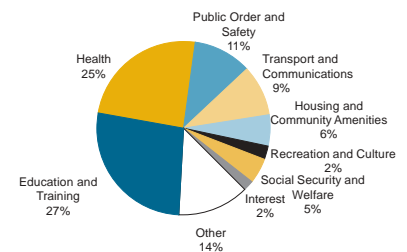
Expenses Growth
General Government



Expense growth is projected at \$342 million or 3.0% in 2003-04, which is below real per capita growth but still provides for significant increases in the priority areas of health, education and law and order.

The Government's commitment to ensuring expenses are directed to its priority areas and to minimising the cost of public service administration is evident by its acceptance of most of the recommendations of the Functional Review Taskforce. These decisions will see significant improvements in how public services are delivered and will result in capital and recurrent savings over the next four years of \$749 million.

2003-04 Expenses
General Government



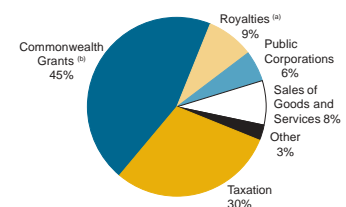
TOTAL EXPENSES = \$11,691 MILLION

Note: Components do not add to 100% due to rounding.

Sources of Operating Revenue

The following chart shows the major sources of general government revenue, and highlights the importance of Commonwealth grants and royalties in the State's revenue base. Together, these two revenue sources account for more than half of total general government revenue, and are estimated to decline by 0.8% in nominal terms in 2003-04.

2003-04 Revenue
General Government



TOTAL REVENUE = \$11,774 MILLION

(a) Includes North West Shelf petroleum royalties.

(b) Includes specific purpose payments 'through' the State.

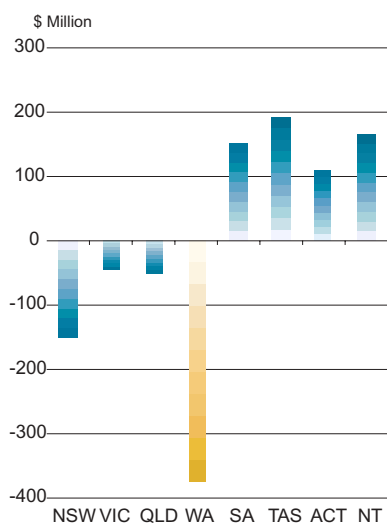
Note: Components do not add to 100% due to rounding.

Funding from the Commonwealth

Commonwealth grants to Western Australia are expected to increase by only 0.9% in 2003-04. This is substantially less than inflation and population growth, implying a real decline per person of 3.0%.

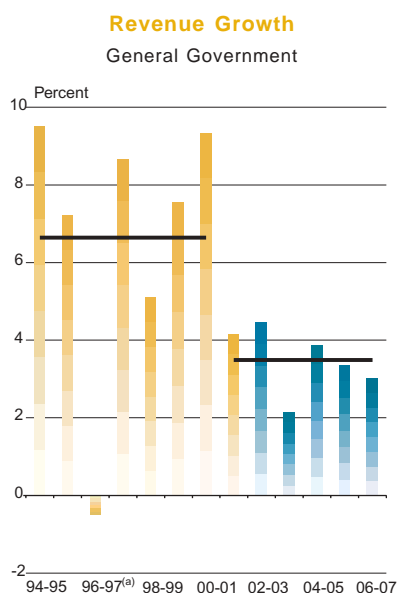
The Commonwealth Grants Commission has reduced Western Australia's share of GST grants by \$20 million in 2003-04, and further cuts are anticipated during the forward years. Over the last decade, the Grants Commission has reduced Western Australia's share of general purpose grants (now mainly GST revenue) to the extent that the State's 2003-04 funding share will be \$374 million less than if the funding shares from 10 years ago had been maintained.

Funding Impact of the Grants Commission's Recommendations over the last 10 years



Revenue Growth

Even with revenue measures (discussed below), total operating revenue is estimated to grow by a modest 2.1% in 2003-04. This is less than half the expected rate of growth in 2002-03, and less than a third the average rate of growth over most of the 1990s.



(a) Reflects the impact of \$200 million in one-off tax compensation received from the Commonwealth Government in 1995-96 for the sale of BankWest.

Revenue Measures

Revenue measures in this Budget, to take effect from 1 July 2003, include an increase in:

- the rate of stamp duty on general insurance policies from 8% of the premium to 10% of the premium (estimated to raise \$52.5 million in 2003-04). This measure will increase the effective price of general

insurance by around 2%; and

- all rates of stamp duty on conveyances by 15% (estimated to raise \$109.5 million in 2003-04). The amount of conveyance duty payable on the purchase of a median-priced house in Perth will still be lower than that in most other jurisdictions.

Even with these measures, Western Australia's taxation revenue per capita is expected to remain below that of New South Wales and Victoria.

Fees and Charges

For the third consecutive year, there will be no increase in the level of electricity prices. Public transport concession fares will also remain frozen.

Spending by the standard 'representative' household on the basket of government goods and services and State taxes will increase by just \$1.61 per week, which is equivalent to a 2.7% increase on the previous year's expenditure (compared to inflation over the last year of 3.3%). For a pensioner eligible for concessions, the increase is expected to be 97 cents per week.

Quality HEALTH CARE

- *The Government has allocated \$2.6 billion in 2003-04 to the Department of Health, an increase of \$232.2 million or 9.7%. This will underpin total expected expenditure on health of \$3.02 billion, an increase of 6.3% or \$178.3 million.*
- *Over the next four years the total additional funding to be provided to Health is \$1.084 billion. Since coming to office, the Government has injected \$2.45 billion to increase health services for the community.*
- *It is estimated that approximately 78,000 operations will be performed across the public hospital system in 2003-04, up from around 70,700 operations in 2002-03.*
- *In addition, a total of \$105.1 million has been allocated for capital works in the health sector in 2003-04, with \$82.5 million being spent on building replacement and upgrades and \$22.6 million on new equipment.*

Attracting Nurses

Since February 2001, the total number of full-time nursing positions in the public health system has risen from 8,082 to 8,510. This has seen an increase of 428 new nursing positions throughout the State.

This Budget provides for the full-time employment of another 150 new nursing positions, with more than 80 of these to be employed in metropolitan and country emergency departments.

Improving Emergency Departments

To meet increased community demand for emergency department services a number of emergency management initiatives are being implemented, including:

- upgrades to increase the capacity of metropolitan emergency centres at Sir Charles Gairdner, Princess Margaret, Swan Districts and Rockingham Hospitals (\$21.4 million in total);
- establishment of care coordinator roles in emergency departments to facilitate timely and appropriate discharge from emergency departments or rapid assessment for medical patients to facilitate appropriate care;



- a transit lounge at Fremantle Hospital to ensure the timely discharge of patients and reduce delays in freeing up beds for other admissions; and
- a 24 hour, 7 day per week emergency rescue helicopter service to transport patients with time critical or life threatening conditions either between health facilities or to a health facility from a location of between 50 and 200 kilometres from Perth.

Tackling Waiting Lists

Active management of waiting lists for elective surgery continues to be a high priority for the Government. Reflecting this, the waiting list fell to the lowest in 11 years in 2002-03. In 2003-04 it is expected that some 44,000 elective waitlist

admissions will be carried out, following around 43,300 in 2002-03.

Key initiatives aimed at further improving the management of the waiting list include:

- establishment of a Clinical Practice Improvement Unit (CPIU) for Elective Services. The CPIU will allow clinical staff rapid access to data that assists in the planning of patient care;
- continuous audit of the waiting list to ensure appropriate prioritisation of elective patients;
- development of a standard reporting framework to support the management of waitlist activity; and

- establishment of the Clinical Priority Access Criteria (CPAC) in consultation with General Practitioners (GPs) and Health Services. The CPAC is a GP assessment tool used to improve prioritisation of referrals by GPs to outpatient and specialist services.

Modernising Equipment

During 2003-04 the Government will complete the \$23 million medical equipment investment program, including replacements for Magnetic Resonance Imaging (MRI) scanners at Royal Perth and Sir Charles Gairdner Hospitals, a new MRI for Princess Margaret Hospital and state-of-the-art mammography and ultrasound equipment at tertiary hospitals.

Sarah Ravine is one of over 400 new nurses to be employed as part of the Government's highly successful nurse recruitment campaign. In Sarah's case, she was attracted back into nursing after a break of 17 years. She completed a free renewal of registration course prior to commencing work at Royal Perth Hospital.

"I couldn't be happier that I have returned to nursing and am doing a job that I really and truly love, and I know is making a difference in people's lives."



Upgraded and New Hospitals

The Government is continuing its strong focus on upgrading hospital and community health centre facilities throughout Western Australia. In 2003-04:

- a total of \$18.6 million will be spent on the completion of the emergency department redevelopments at the Sir Charles Gairdner and Rockingham/Kwinana Hospitals;
- a total of \$9 million will be spent as part of a \$32.8 million four-year program to provide refurbishments, upgrades and equipment replacement at the Women's and Children's Health Service, including Princess Margaret and King Edward Hospitals;
- work on the \$3.4 million project to expand the Peel Health Campus is expected to be finished by the end of 2003;
- construction of the new \$40 million Geraldton Hospital will begin and work on a new Community Health Centre will start at Leonora;

- planning will be finalised for a new multipurpose health facility for Denmark and for the replacement of the Community Health Centre at Mandurah, and work on the new multipurpose facility at Ravensthorpe will be completed by early 2004; and
- a program of general ward upgrades will continue at major hospitals, and two new dental centres for adults will be built in Perth's northern and southern suburbs.

Community Health Care

A series of new community health care initiatives will be undertaken in 2003-04. These include:

- a Primary Health Care Strategy to improve the integration across services delivered by the acute, non-acute and primary health care and community sectors. This will result in improved patient care and support for carers and lead to better health outcomes and optimal utilisation of health resources;
- stronger emphasis in areas such as policy development, prevention and early intervention strategies and, in particular, service implementation for Western Australian culturally and linguistically diverse families;

- development of integrated services in priority areas including chronic diseases (such as diabetes and asthma) and immunisation; and
- development of a new framework for Aboriginal Child Health to guide the development and implementation of services in this area. A strong consultative process involving Aboriginal communities will be used in the development of the framework.

Improving the Future of Health Service Delivery

Since the election, the Government has injected an additional \$2.45 billion in new money into the health system.

Health spending in Western Australia has been growing by around six to seven per cent a year and now accounts for approximately one quarter of the State Budget.

The issues impacting the growth in health expenses include:

- the cost of new technology in health service delivery;
- the ageing of the population;
- increasing community expectations;



- increased demand for emergency department services reflecting the decline in bulk billing, reduced availability of GP services and doctor shortages especially in regional areas (Western Australia now has an estimated shortage of 300 GPs); and
- the decline in private health insurance. Private health insurance coverage in Western Australia peaked at 49.3% in September 2000 and has since declined to 46.9%, further adding to the demand for public health services.

With a declining share of Commonwealth revenues, it is becoming increasingly apparent that Western Australia will not be able to finance prolonged high growth in health expenditure, without placing additional tax burdens on the community and/or imposing severe reductions in other government services.

Neither of these financing options is desirable, and as a result, a Health Reform Committee has recently been established. Funding has been provided to meet the operating costs of the Health Reform Committee, estimated to be \$1.3 million. The Committee is chaired by Professor Mick Reid and is due to complete its report by March 2004.

The Committee has been charged with the responsibility of identifying and implementing sector-wide improvements, to enable the health system to become more effective, efficient and financially sustainable over the longer term. In addition, the Committee will be examining opportunities to promote reforms in Commonwealth-State funding arrangements for health service delivery.

The Committee will work with people inside the system and the broader community to arrive at solutions for placing our health system on a more sustainable footing, to deliver quality health care into the future.



Aleida De Blank is one of many older Western Australians to benefit from the State Government's elective surgery program. She recently underwent a knee replacement at Royal Perth's Shenton Park Campus. Her operation was so successful that she was walking the day after surgery.

Like hundreds of others in her situation, Aleida has benefited from the reduction in waiting lists for elective surgery – now at their lowest level in 11 years.

In the metropolitan area waiting lists for both hip and knee procedures in the 70 to 79-year age group, have been reduced from 421 cases in 2001 to 275 cases in 2002 within the public hospital system.

Skilled PEOPLE

- *The \$2.41 billion recurrent allocation to the Department of Education and Training for 2003-04 represents an appropriation increase of \$91.8 million or 4.0% over the estimated outturn for 2002-03 – a real increase of 1.4%.*
- *Since its election, the Government has increased funding for each student in government schools by 4.1% in real terms.*
- *The merger of the former departments of Education and Training will allow a greater focus on turning around Western Australia's unacceptably low Year 12 retention rates and boosting traineeships and apprenticeships.*
- *The highest priority for the new Department is to engage more 15-19 year olds in worthwhile learning. There will be a strong emphasis on more apprentices/trainees and better career guidance and counselling services.*

Improving Literacy and Numeracy

The *Getting it Right Literacy and Numeracy Strategy* will continue in 2003-04 with the appointment of 40 additional teachers for the 2004 school year. This is in addition to the 117 teachers appointed since February 2001. The focus of the strategy is on early intervention, and support for students most at risk of not meeting literacy and numeracy standards.

Behaviour Management

This Budget also provides for the continuation of key initiatives in the *Family Links* program, which allows parents to become more involved in the education of their children. In addition, the next phase of the highly successful Behaviour Management and Discipline Strategy will continue to provide additional staff and resources to targeted schools.

To improve outcomes for Aboriginal students, the *Follow the Dream* tertiary aspirations initiative will be operational in twelve locations; three additional Early Literacy and Numeracy specialists will be appointed; and construction will commence on a purpose-built Aboriginal school at Bunbury.



Education to Community Strategy

Over \$48 million will be spent on information technology in 2003-04.

Further development of on-line education services will continue to enable teachers to transform their teaching methods and realise better outcomes for students. This will capitalise on the Department's investment in information and communications technology infrastructure, as part of the education to community (e2c) strategy. All government schools are expected to be connected to new high bandwidth telecommunication services by the end of 2003. The budget allocation for the project in 2003-04 is \$26.9 million.

Also under the e2c strategy, the *Notebooks for Teachers* program continues into its second year at an estimated cost of \$9.9 million. Already more than 11,000 teachers have taken advantage of this initiative.

Training

In the training sector, 26.7 million student contact hours will be delivered in 2003-04.

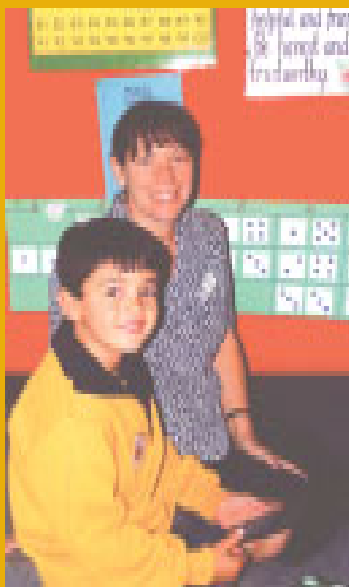
The number of apprenticeships and traineeships in 2003-04 is projected to increase by at least 1,250. Total apprentice and trainee numbers are targeted to increase to 25,000.

The *First Click* program, which provides grants to community-based not-for-profit organisations for initiatives to increase computer literacy, will be extended to 2003-04 at a cost of \$1 million.

Maintaining, Upgrading and Building Schools and Colleges

A total of \$166.8 million will be spent in 2003-04 on government school and TAFE college infrastructure, including:

- the completion of five replacement primary schools and four new primary schools;
- the commencement of a further four new primary schools and five replacement primary schools;
- the consolidation of site acquisition for e-Central campus at East Perth; and
- major construction works for the Margaret River Campus, the Joondalup Hospitality Training Centre, the Henderson Maritime project, Fremantle Stage 1 Maritime project, and Geraldton Marine and Fishing Centre.



The Getting it Right Literacy and Numeracy Strategy is providing government primary schools across the State with extra resources to work with young students in this critical area of learning. Additional specialist teachers are helping to better evaluate student literacy and numeracy abilities so that teaching programs can be targeted to meet the needs of individual students across the full range of learning abilities.

The Getting it Right program is seen as an effective means of improving the level of achievement and self esteem of individual students as well as bringing benefits for teaching staff, parents and schools as a whole.

A Safer COMMUNITY

- *Funding is being provided for the recruitment of 60 additional police officers in 2003-04, which will bring the total number of additional officers recruited since the Government came to office to 175. This puts the Government firmly on track to meet its election promise of 250 new police officers in its current term.*
- *The 2003-04 capital works budget for the Police Service is a record \$77.5 million, and will ensure that our police are equipped with the latest technology to protect and safeguard our community.*
- *To enhance the safety of our train system, 40 additional transit guards will be employed in 2003-04. By the end of 2003-04, 277 security personnel, including 50 transit police, will be patrolling our train system.*

Police

In 2003-04, the Government will be increasing its allocation to the Police Service by \$29.5 million (5.6%) when compared to 2002-03. This represents real growth of 3.1%.

Additional Sworn Police Officers

Additional funding of \$1.7 million has been provided in 2003-04 for the Government's commitment to employ an extra 250 police officers and 40 Aboriginal Police Liaison Officers (APLO) over four years. At the end of 2003-04, 175 police officers and 30 APLOs will have been recruited.

DNA Testing

It is estimated that 20,000 DNA samples will be collected in 2003-04. This will improve police clearance rates and act as a deterrent to crime.

Communication and Information Technology Project

To maintain and continue the Delta Communications and Information Technology (DCAT) project, additional recurrent funding of \$2.8 million has been provided in 2003-04. This investment supports the operations of the Police Service by improving systems and technology to enable a greater degree of intelligence-led policing and the release of more officers to front-line policing duties.



Capital Works

The Police Service has an approved capital works program of \$77.5 million in 2003-04, with the main projects being:

- the continuation of the DCAT project, with estimated expenditure of \$22.1 million to improve systems and technology in the Police Service;
- the purchase of the Computer Aided Dispatch Communications (CADCOM) stages 1A and 1B incorporating the new voice management dispatch system at an estimated cost of \$17.5 million. Funding of \$1.5 million has also been allocated in 2003-04 for stage 1C, which involves the planning and acquisition of a new metropolitan police radio network;
- the commencement of construction for the forensic component of the Police Operations Support Facility at a cost of \$12.3 million in 2003-04 (total estimated cost \$23 million);
- the construction of three police stations at targeted remote locations at a total cost of \$3.3 million in response to the Gordon Inquiry;
- ongoing building modifications to address health and safety obligations as a result of including sworn police officers within

Occupational Health and Safety legislation at a cost of \$4.1 million in 2003-04;

- continuation of works on police stations at Wanneroo (\$1.5 million), Albany (\$1.3 million), Newman (\$3.1 million) and Laverton (\$2.1 million); and
- purchase of new equipment, including semi-automatic pistols, telephone intercept system, speed detection equipment and a video evidentiary unit at a total cost of \$5.7 million.

FESA

National Aerial Firefighting Strategy

To enhance Western Australia's existing aerial firefighting capabilities, \$1.3 million per annum has been allocated to lease and operate two heli-tankers and two additional fixed-wing aircraft.

Chemical, Biological or Radiological (CBR) Emergency

The State's capacity to manage a CBR emergency and deal with any possible terrorist activity following the Bali tragedy will be significantly improved with an allocation of \$810,000 in 2002-03 and \$530,000 in 2003-04. These funds will provide additional equipment, staff and training programs. Capital funds of \$690,000 were also provided in 2002-03.

Justice

The Department of Justice will develop and implement the Offender Re-entry Program to support prisoners and assist their re-entry into the community. The program's objective is to reduce re-offending by prisoners, reducing crime and making the community safer.

The Department will commence a number of drug strategies to reduce the likelihood of drug users returning to crime to feed their drug habit on release from prison. The strategies will reduce drugs entering prisons, reduce the demand for drugs and reduce the harm associated with drug use.

These initiatives by the Government are critical to break the cycle of relapsing into drug use and re-offending. Reducing drug related crime is vitally important to victims and the community generally.

Safer Train System

An additional 40 transit guards will be recruited during 2003-04 at a cost of \$2.2 million. By the end of 2003-04, 277 security personnel, including 50 transit police, will be patrolling our trains.

Gascoyne

- \$8.3 million to complete development of the \$16.3 million Exmouth Marina Village
- \$3.5 million on Coral Bay Wastewater Treatment Plant
- \$3.2 million to construct and seal the Carnarvon – Mullewa Road between the North West Coast Highway and Gascoyne Junction
- \$1.6 million for the Shark Bay Interpretive Centre
- \$1.25 million for the construction of a land backed wharf in Carnarvon to provide a safer mooring arrangement for the fishing industry
- \$1.2 million for ward upgrade and general repairs at Carnarvon Hospital

Perth Metro

East Metropolitan

- \$13.5 million on railway station upgrades at Armadale, Bassendean, Gosnells, Midland and Kelmscott
- \$12.3 million towards the forensic facility in Midland
- \$10.1 million to upgrade Great Eastern Highway to a four lane dual carriageway from Old Sawyers Road up to the Chidlow to York Road
- \$8.4 million for the completion of Canning Vale College and \$3.1 million on other high schools in the region
- \$5.5 million over five years to redevelop Kalamunda Hospital

North Metropolitan

- Capital works funding of \$21.6 million for hospitals, health centres and community facilities
- \$13.7 million capital expenditure on roads in 2003-04
- \$10.7 million on new primary schools
- \$4 million in 2003-04 towards a new railway station at Greenwood
- \$1.5 million towards the Wanneroo Police Station, to be completed in 2004-05

South Metropolitan

- \$22.1 million to construct and seal the Roe Highway from Nicholson Road to South Street, with total capital expenditure on roads of \$91.9 million in 2003-04
- \$9 million towards a low security prison for women in Bentley
- \$7.3 million on upgrades to existing high schools
- Capital works funding of \$5.4 million for hospitals, health centres and community facilities

Wheatbelt

- \$9.4 million on the Prospector and Avonlink railcars
- \$2.8 million pole replacement and reinforcement program, as part of a \$106.6 million distribution maintenance program across the State
- \$1.6 million towards reconstructing and sealing the Great Eastern Highway from Merredin to Walgoolan
- \$1 million in 2003-04 to reconstruct and widen the Brookton Highway from Karlgarin to Hyden East

Peel

- \$7 million for the Samson Brook Water Treatment Plant
- \$2.5 million to complete additions and improvements to Mandurah Senior College
- \$2.2 million towards the Peel Health Service development
- \$1.2 million towards the redevelopment of Fairbridge Village
- \$1 million for the restoration of the Pinjarra to Boddington Railway

Kimberley

- \$4.25 million for the Ord River Irrigation
- \$2.5 million to complete additions to School
- \$2.35 million for the Derby Highway Northern Highway to Airport turnoff
- \$2 million in 2003-04 to upgrade health centres primarily at Broome, Derby and Hall
- \$0.8 million to replace the health facilities

South West

- \$8 million on the Harris Water Treatment Plant
- \$4 million to complete a new primary school
- \$3.5 million to complete a replacement school
- \$2.5 million to finalise the Centre for the Arts Campus of the South West Regional Health
- \$2.5 million for capital expenditure on the Protecting Our Old Growth Forest

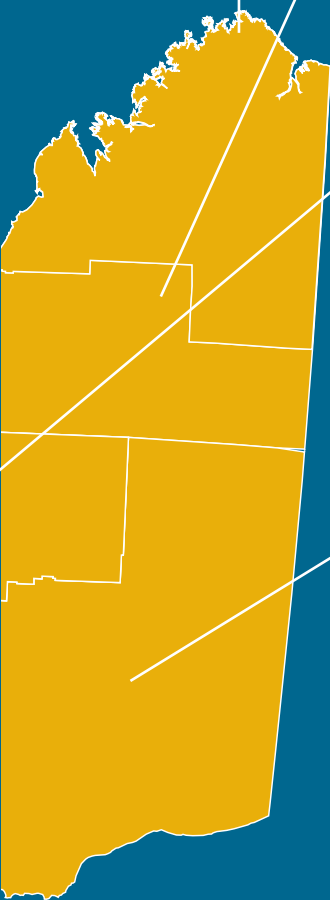
Western Australians

tion Stage 2 project
o Roebuck Primary

from the Great

lth facilities
s Creek

ility at Oombulgurri



Pilbara

- \$75.3 million infrastructure package to support projects to be established on the Burrup Peninsula
- \$14.1 million to complete Stage 1 of construction of a two lane sealed road north of Tom Price to the Nanutarra – Munjina Road
- \$13 million for a dredged shipping channel at the Dampier Port (of which \$6.5 million is included in the Burrup Infrastructure Package)
- \$3.1 million towards the \$3.5 million replacement Newman Police Station
- \$2 million to complete construction of a Performing Arts Centre, Sports Hall and Student Services Centre at Tom Price Senior High School
- \$1.3 million for the redevelopment of the historic town of Cossack
- \$0.5 million for Stage 1 of upgrading the Community Health Centre at Port Hedland

Mid West

- \$24.7 million to complete the \$107.7 million Geraldton Port enhancement project and associated minor works
- \$26.3 million on the Geraldton Southern Transport Corridor
- \$9.5 million on the North West Coast Highway to complete the reconstruction and widening of the Ashburton River Bridge to two lanes
- \$7.6 million towards the \$40 million redevelopment of the Geraldton Hospital
- \$3.7 million towards the \$5.2 million Marine and Fishing Centre in Geraldton
- \$2.5 million on a Wastewater Treatment Plant at Narngulu

Goldfields-Esperance

- \$7 million upgrading Western Power's systems to connect the new gas fired power station in Esperance
- \$4.2 million on capital works in 2003-04 on hospitals, health centres and community facilities
- \$2.1 million on the \$3.5 million Laverton Police Station
- \$1.5 million for improvements to Esperance Senior High School
- \$1.1 million on the first stage of the Esperance and Hopetoun Wind-Diesel projects
- \$1 million towards improving the Great Central Road between Laverton and Docker River

Great Southern

- \$6 million on the South Coast Water Treatment Plant in Albany
- \$4.4 million towards the \$11 million Albany Justice Complex
- \$2.7 million on remediation of the former Albany Gasworks site
- \$1.3 million on the replacement Albany Police District Complex
- \$1 million for the Albany Hospital Paediatric Ward development
- Commencement of the \$12 million Albany Small Boat Harbour

tment Plant

ry school (Dalyellup)

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or Wine Excellence at Margaret River
al College of TAFE

on facilities in new parks as part of
ests policy

Protecting the ENVIRONMENT

- *The Government has responded to community concerns regarding environmental regulation, with more than 30 new officers to be employed in environmental regulation and pollution control.*
- *The Government will spend \$14.5 million over four years for the implementation of the Contaminated Sites Bill and remediation of high priority sites.*
- *The Government will spend in excess of \$40 million in 2003-04 in combating salinity, which remains a serious issue for the State.*

A Stronger Environmental Regulator

The State Government is committed to giving our environmental watchdog more bite – with tougher environmental penalties and new staffing resources.

Bolstering environmental licencing, enforcement and pollution control, this year will see a 40% increase in the amount of staff servicing these areas.

A new highly trained, specialist Pollution Response squad will provide rapid response to serious environmental incidents to conduct sampling, collect detailed scientific evidence and immediate clean-ups.

More environmental officers will also be on the beat, with eight additional staff employed to licence premises, in particular in regional Western Australia.



New resources will also ensure the completion and ongoing support of the State Government's new Environmental Enforcement Unit. The new, nine-member team will be solely dedicated to enforcing Western Australia's environmental laws.

The new teams will be backed by amendments to the *Environmental Protection Act*, which will give departmental staff more enforcement powers and greater penalties.

Cleaning up our Suburbs

Contaminated sites remain an important economic, environmental and social issue for Western Australians.

Improper management of such sites can stifle development, damage environmental values and cause great concern for local communities.

The Government is committed to the implementation of the Contaminated Sites Bill, which will see Western Australia move to a modern regulatory and management framework for contaminated sites.

The passage of this Bill will ensure that in the future those who pollute the environment will pay to clean up their mess.

The Government will spend \$14.5 million over four years for the implementation of the Contaminated Sites Bill and remediation of high priority sites.

Our Forests and National Parks

The Government has committed \$151 million to protect all our old growth forests. A major element of this expenditure is the creation of 30 new national parks and two new conservation parks, which is currently underway.

A new forest management plan incorporating the principles of environmentally sustainable forest management is due to be completed by the end of 2003.

The Government is also working to create a comprehensive network of marine parks along Western Australia's 13,500 kilometre coastline to ensure that the State has a world-class marine conservation system.

Salinity and Land Management

Salinity is acknowledged as one of the greatest threats to the environment in Western Australia. To assist in countering this threat, the Government will spend in excess of \$40 million in 2003-04 on strategies directly targeting salinity. An investment framework has also been established to ensure that all funds are strategically allocated to high priority salinity remediation tasks.

The Government is also committed to the protection of native vegetation and is introducing a clearing permit system for native vegetation, with significant penalties for clearing without a permit.

Our Water Future

The Government has established a \$7 million financial incentive package to encourage the uptake of water efficiency measures. This includes rebates for the installation of garden bores, rainwater tanks, water efficient shower heads and washing machines rated AAAA or better.

Protecting the ENVIRONMENT continued

Sustainable Energy

Western Power will spend \$16.6 million in 2003-04 on three renewable energy projects, including the demonstration Integrated Wood Processing Plant at Narrogin, a wind farm at Nine Mile Beach in Esperance and a wind/diesel plant in Hopetoun.

Solar Hot Water Incentives

The Government is committed to the increased uptake of energy efficient products, best practice energy management and greater use of renewable energy. To assist in achieving this goal a Solar Water Heater Subsidy Scheme was introduced in November 2001 in a bid to cut

greenhouse gas emissions. The estimated total cost of the scheme is \$2 million to 30 June 2005.

Energy Smart

The Energy Smart program was launched in June 2002, which requires State government agencies with more than 25 FTEs to reduce their energy consumption by 12% from 2001-02 to 2006-07.

Trial of Hydrogen Buses

As part of a \$10.7 million program, the Department for Planning and Infrastructure will spend \$500,000 in 2003-04 on a 'Zero Emission Hydrogen Fuel Cell Buses Trial Project'. The results will enable informed decisions to be made with respect to the most appropriate fuel and form of motive power for the Transperth fleet.



Under the management of Ken Raine (pictured), an expanded Pollution Response Squad will provide the State with a greater rapid response capacity to deal with serious environmental incidents – including detailed evidence collection and immediate clean-ups.

The Squad will also support the work of the newly established Environmental Enforcement Unit, by undertaking audits of contentious industry emissions and assisting with industry regulation.

Supportive COMMUNITIES

The Government places major importance on appropriately resourcing agencies involved in supporting and building the capacity of our community. In this Budget:

- funding for the Disability Services Commission will grow by \$12.3 million, representing a 6.3% increase, enabling the provision of accommodation support for 80 additional people;*
- recurrent funding for the Department for Community Development has increased by 5.9%. This includes additional funding for increases in foster care and respite care subsidies and the clothing allowance for adolescent children in care; and*
- in response to the Gordon Inquiry, \$75 million is to be provided over the forward estimates period for a range of initiatives to protect children from abuse.*

Disability Services

State Government funding for the Disability Services Commission will grow by \$12.3 million in 2003-04, an increase of 6.3%.

This funding will enable the provision of accommodation support for 80 additional people in 2003-04, and builds on the funding provided for in the 2002-03 Budget for 75 additional places. Since coming to office, the Government has provided accommodation services for a total of 191 people, with support for a further 210 to be available over the forward estimates.

Community Development

Recurrent funding for the Department for Community Development has increased by 5.9%.

The Government recognises that foster carers provide an invaluable service in caring for some of the most disadvantaged children and young people in the State, and has committed an additional \$14.1 million over four years to the foster care sector.

The funding will provide for significant increases to the basic foster care subsidy (the first increase since 1992) and the clothing allowance for adolescent children (13-18 years) in care, and to address the inequity in the payment of certain allowances to carers of non-wards.

Implementing the Gordon Inquiry recommendations

As part of the Government's response to the Gordon Inquiry, \$75 million is to be provided over the forward estimates period to Health, Community Development, Justice, Police and Premier and Cabinet for a range of initiatives to protect children from child abuse:

- **Health** – an allocation of \$7.15 million over a five year period to 2006-07 to increase the existing capacity of the Child Protection Unit at the Princess Margaret Hospital and to expand services provided by the Sexual Assault Resource Centre;
- **Community Development** – a total of \$26.3 million over five years to provide for a range of initiatives aimed at combating child abuse and family violence in Aboriginal communities, including 25 additional Child Protection Workers across the State;
- **Premier and Cabinet** – an allocation of \$8.4 million over a five year period to 2006-07 to provide for various initiatives including a program to address the security and community building needs of children and vulnerable adults;
- **Justice** – additional funding of \$3.8 million has been provided for various initiatives including expansion of the Child Witness Service and Victim Support Service to Aboriginal communities; and
- **Police** – a total of \$10.5 million over a five year period to 2006-07, including funding of \$106,000 in 2002-03 and \$1.4 million in 2003-04, has been provided for the placement of eight Domestic Violence Specialist police officers and the operating costs associated with the construction of three police stations at Warburton, Kintore and Docker River. In addition, borrowings of \$4 million in 2003-04 have been approved to construct housing for police officers at remote locations.

A capital allocation of \$10.3 million over the forward estimates has also been provided for the construction of nine police stations at targeted remote locations.

State Homelessness Strategy

The Government's State Homelessness Strategy is designed to tackle homelessness and social exclusion based on early intervention and prevention. The strategy aims to build more public housing for the homeless, provide support for families to prevent them from becoming homeless and to help those people leaving prison and those in the mental health system.

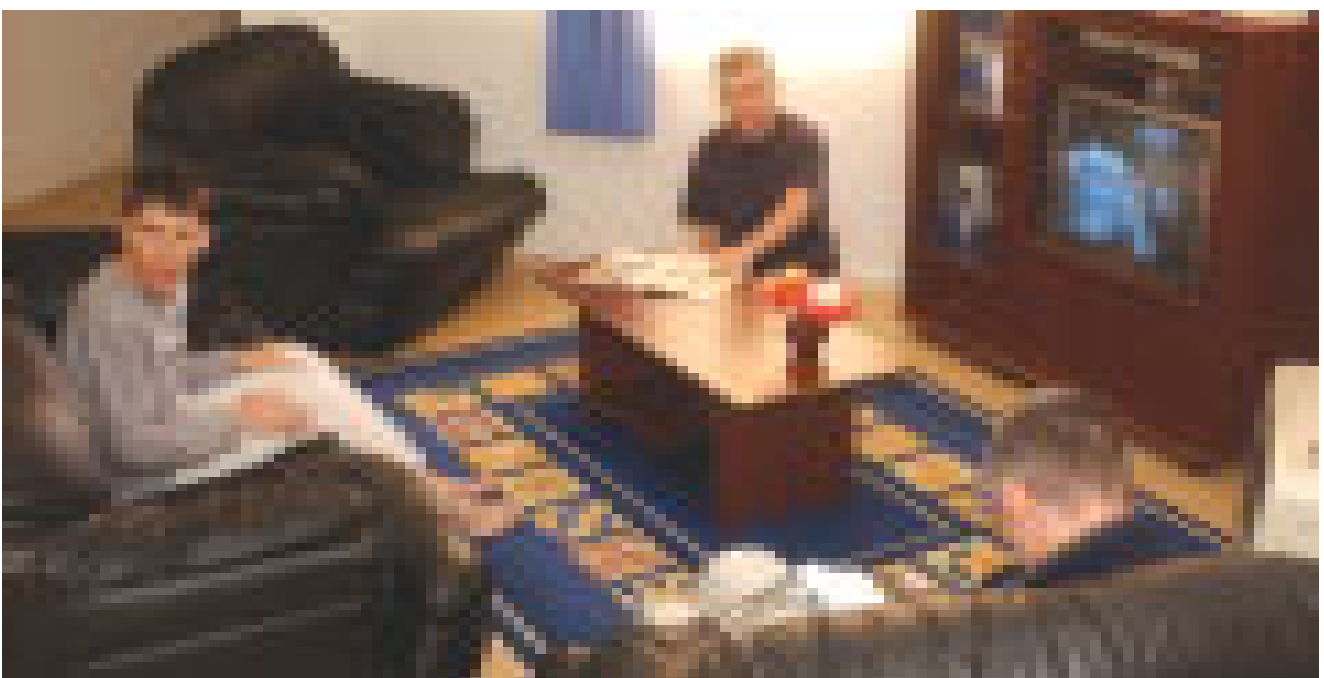
- **Community Development** – the Government has provided \$2.9 million per annum (\$13.3 million over five years) to assist public and private sector tenants keep their housing, help homeless children, support young people leaving long

term care, and assist people directly into stable accommodation through by-passing crisis accommodation.

- **Health** – an allocation of \$4.9 million over a five year period to 2006-07 will provide for additional support services to young people with mental illness and additional housing support to assist the accommodation of mental health patients released back into the community.
- **Justice** – additional funding of \$340,000 per annum (\$1.7 million over five years) has been provided for support and mentoring services to offenders with the highest need for intensive re-entry and

accommodation support during the transitional months after leaving custody.

- **Department of Housing and Works** – \$500,000 in 2002-03 and \$1 million in 2003-04 and each year thereafter has been provided to increase the Supported Housing Assistance Program that provides support to vulnerable public housing tenants and assists them to retain their tenancies. In addition, capital funding of \$10.5 million has been provided since 2001-02 to boost the public housing building program for the homeless and provide housing for people with special needs exiting the justice and mental health systems.



Growing the ECONOMY

- *With 22,000 new jobs forecast for 2003-04 and a total of 100,000 over the forward estimates period, the Government is on track to achieve its target of 125,000 new jobs over five years.*
- *The Western Australian economy is forecast to grow by a strong 4.5% in 2003-04, following estimated growth in 2002-03 of 4.25%.*
- *Continued strong growth in business investment is expected in 2003-04, reflecting work on a number of large existing resource projects, plus a number of new projects – such as the \$975 million Telfer Deeps gold mine expansion, the \$630 million Burrup Fertilisers ammonia plant and the \$400 million Hismelt project.*

Delivering New Infrastructure

Capital Works Program

The Government's total planned Capital Works Program for 2003-04 is a record \$3.5 billion. This comes on top of an estimated \$3.2 billion program for 2002-03.

Main Roads

Total expenditure by Main Roads in 2003-04 is estimated at \$773.2 million (up from \$697.2 million in 2002-03), including \$432.3 million on maintenance, \$77.1 million on road improvements, \$184.6 million on new roads and \$49.7 million on bridges.

Of the \$773.2 million, \$565.8 million is the actual spend on roads, up \$56 million from 2002-03.

MAJOR ECONOMIC AGGREGATES

Western Australia

	2001-02 Actual %	2002-03 Estimated Actual %	2003-04 Budget Estimate %	2004-05 Forward Estimate %	2005-06 Forward Estimate %	2006-07 Forward Estimate %
Real Gross State Product Growth	5.7	4.25	4.5	4.0	4.0	4.0
Employment Growth	1.1	2.5	2.25	2.25	2.5	2.5
Unemployment Rate	6.5	6.0	5.75	5.75	6.0	6.0
Wages Growth ^(a)	3.2	3.25	3.25	3.25	3.0	3.0
Consumer Price Index Growth	2.7	2.75	2.5	2.5	2.5	2.5

^(a) Growth in wages refers to growth in the Wage Cost Index.



Burrup Peninsula

During 2003-04, more than \$75 million will be spent on common use infrastructure for projects to be established on the Burrup Peninsula. The total investment planned over the forward estimates period is \$137.6 million.

Western Power and Water Corporation

Combined, these agencies will spend \$858 million on new infrastructure in 2003-04. Western Power's capital program of \$395.4 million includes \$93.3 million on generation projects and \$221.4 million on transmission and distribution projects to maintain reliability and quality of supply through ongoing enhancement of the electrical system.

The Water Corporation's capital program of \$462.8 million includes \$125.5 million on the distribution network, \$58 million on securing water supply to metropolitan and country areas and \$33.3 million to continue the implementation of the Infill Sewerage Program.

Encouraging Tourism

A final payment of \$74.4 million is planned to be made to the developer of the Perth Convention and Exhibition Centre in 2003-04.

An additional \$1 million has been provided in 2003-04 for regional tourism as part of the restructure of the State's tourism boundaries from 11 regions to five tourism zones.

In 2003-04 over \$12 million will be spent in hosting events in Western Australia including the Hopman Cup Tennis Tournament, the Perth International Golf Tournament, Rally Australia, the Rugby World Cup and the 2003 World BMX Championships.

Housing and Land Development

LandCorp

LandCorp's planned Capital Works Program for 2003-04 is \$186.1 million, including \$44.9 million on industrial land acquisition and development and \$47.8 million on urban and town site land acquisition and development.

State Housing Commission

The State Housing Commission is budgeting to spend \$45.8 million on land development in 2003-04.

The award-winning New Living Program, which has been highly successful in reducing crime rates and increasing property values, will build on 2002-03 achievements with projected sales of 485 units and refurbishment of 400 units in 2003-04. Total funding for this program is expected to be \$36.9 million in 2003-04.

The State Housing Commission will also again deliver a significant public housing program, with an amount of \$143.2 million to be spent on the construction of new units in 2003-04, up \$13.6 million from the previous year.

Keystart

Loans to homebuyers on low to moderate incomes, disabled and Aboriginal households will be made through the KeyStart, Goodstart and Access schemes. Funding of \$533.5 million will be provided for KeyStart loans in 2003-04 and \$14.1 million for Goodstart, of which \$6.9 million is for Access.

Assisting Business

A total of \$2.7 million is to be provided in 2003-04 by way of grant funding for 37 Business Enterprise Centres (BEC) State-wide. Each BEC receives \$60,000 per annum, with centres located in the Gascoyne, Pilbara and Kimberley regions receiving a further \$10,000 per annum. Additional funding of \$400,000 has also been set aside in 2003-04 for BECs, subject to a review process which is currently underway.

InnovateWA

The Office of Science and Innovation supports the implementation of the Government's InnovateWA policy and strategy to strengthen Western Australia's long-term economic competitiveness by establishing the State as a global leader in science and innovation related activities. In 2003-04, nearly \$31 million in grants will be provided to develop and enhance local research capability, and for education and related purposes.

Economic Reform

Electricity Reform

To promote greater competition and sustainable lower electricity prices, the Government has committed to wide-ranging reforms in the electricity industry, including the disaggregation of Western Power, the creation of a competitive wholesale market and the development of a strong and independent regulatory system, while maintaining the uniform tariff for residential and small business customers. For a resource-based economy like Western Australia's, providing the systems which can result in lower electricity prices, provide certainty of supply and increase choice for consumers is essential to improve the State's competitiveness and generate economic growth.

Business Tax Reforms

On 23 January 2003, the Government announced the final package of reforms from the Review of State Business Taxes. The package will:

- abolish six State taxes (ie. stamp duties on leases, cheques, marketable securities, life insurance and workers' compensation insurance, and debits tax);
- simplify the payroll tax and land tax rate scales;
- update the *Stamp Act* to accommodate modern business practices; and
- improve tax administration.

These reforms represent a significant overhaul of State taxes and will deliver a taxation system that has fewer, fairer and simpler taxes. A substantial reduction in compliance costs for taxpayers, including business, is expected.

Overall, the package is estimated to reduce tax revenue by:

- \$3.2 million in 2003-04;
- \$22.6 million in 2004-05;
- \$23.4 million in 2005-06; and
- \$23.8 million in 2006-07.

More information on the package can be obtained from the Department of Treasury and Finance or on its website (www.dtf.wa.gov.au).

Better COMMUNITIES

Extension of the Urban Passenger Railway Network Project (New MetroRail)

Expenditure on the New MetroRail project is planned to total \$182.9 million in 2003-04.

This project provides for:

- extension of the northern suburbs railway to Clarkson (\$15.5 million);
- construction of a railway from Kenwick to Thornlie (\$33.8 million);
- construction of a railway from Perth to Mandurah (\$63.5 million); and
- the purchase of 31, three car sets and completion of the Nowergup railcar depot (\$70 million).

In 2003-04, \$20.8 million is to be spent on upgrading stations at Armadale, Bassendean, Claremont, Gosnells, Joondalup Special Events Station, Joondalup carpark, Kelmscott and Midland, a new station at Greenwood and upgrading access for people with special needs.

The implementation of a new Smartcard ticketing system to replace the ageing Transperth ticketing system is planned to continue in 2003-04, with expenditure of \$8.7 million.

In addition to \$2.2 million spent in 2002-03, a further \$5.4 million will be spent in 2003-04 on the extension of the bike path network in the metropolitan area.

Underground Power

\$17.3 million will be spent in 2003-04 on underground power in Bridgetown, Victoria Park, Scarborough, West Nedlands, Fremantle, Mosman Park and Subiaco.

Infill Sewerage

\$33.3 million will be spent in 2003-04 on infill sewerage in the following areas:

- Metro region: Waterman, North Beach, Sorrento, Mullaloo, Trigg, Spearwood, Cockburn, Kenwick, Waikiki, Warnbro and Scarborough; and
- Country: Bunbury, Mandurah, Walpole, Carnarvon and Geraldton.

Sport and Recreation

In accordance with the Government's commitment to increase funding for sport and recreation activities, a total of \$9 million in grants will be allocated from the Community Sporting and Recreation Facilities Fund in 2003-04 for the construction or improvement of sporting facilities throughout the State.

This amount follows the \$9.3 million allocated in 2002-03, including for the following major projects:

- Kalumburu Aboriginal Corporation: \$243,000 towards the construction of a multi-purpose recreation facility;
- the Shire of Serpentine-Jarrahdale: \$1 million towards the construction of a recreation centre;
- the Shire of Halls Creek: \$1.5 million towards the construction of an aquatic centre;



- the Town of Victoria Park: \$700,000 towards the redevelopment of the Somerset Swimming Pool; and
- the Town of Vincent: \$600,000 for the construction of new facilities as part of the Football Centre of Excellence at Leederville Oval.

In total, assistance was provided to 144 projects in 2002-03 with approximately two-thirds of funding being allocated to projects in regional Western Australia.

In 2003-04, the Government is investing substantial funds for the development of State level sports facilities, with \$4.5 million

for soccer (and rugby) at Perth Oval, along with funds set aside in 2004-05 for the development of a multi-purpose 'boutique' stadium at Leederville Oval and the replacement of facilities currently at Perry Lakes.

Culture and the Arts

An election commitment of the Government to provide \$5 million for the Contemporary Music Initiative is in its second year of implementation. One of the highlights is a \$1 million State-wide touring program to assist local communities to put on 'all ages gigs' featuring Western Australian musicians.



Building WA

The following are acknowledged with thanks for providing photographs.

Department of Agriculture
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Department of Environmental Protection
Department of Health
Department of Housing and Works
Department for Planning and Infrastructure
Disability Services Commission
Fire and Emergency Services Authority
Sustainable Energy Development Office
Western Australia Police Service
Western Australian Tourism Commission